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PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

LAW OF THE SEA

Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 1982

Programme budget implications of the draft resolution contained in document A/48/950

Seventeenth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement of the Secretary-General (A/C.5/48/80) concerning programme budget implications of the draft resolution contained in document A/48/950 on the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982. For the reasons given below, this consideration of requirements by the Advisory Committee is preliminary.

2. As recalled in paragraph 1 (d) of the Secretary-General's statement, under the terms of operative paragraph 8 of the draft resolution, the General Assembly would decide to "fund the administrative expenses of the International Seabed Authority in accordance with section 1, paragraph 14, of the annex to the Agreement".

3. Section 1, paragraph 14, of the annex to the Agreement provides that:

> "The Authority shall have its own budget. Until the end of the year following the year during which this Agreement enters into force, the administrative expenses of the Authority shall be met through the budget of the United Nations. Thereafter, the administrative expenses of the Authority shall be met by assessed contributions of its members, including any members on a provisional basis, in accordance with articles 171,

subparagraph (a), and 173 of the Convention and this Agreement, until the Authority has sufficient funds from other sources to meet those expenses. The Authority shall not exercise the power referred to in article 174, paragraph 1, of the Convention to borrow funds to finance its administrative budget."

4. The Advisory Committee recalls paragraphs 1 and 2 of Article 17 of the Charter of the United Nations which provide that "the General Assembly shall consider and approve the budget of the Organization" and that "the expenses of the Organization shall be borne by the Members as apportioned by the General Assembly". The Advisory Committee points out that the provisions of section 1, paragraph 14, of the annex to the Agreement must be implemented in accordance with the requirements of Article 17 of the Charter.

5. Should the General Assembly adopt the draft resolution contained in document A/48/950, the projected additional requirements for the International Seabed Authority, based on the assumptions contained in document A/48/80, would be as shown in the table below.

Projected resource requirements for the International Seabed Authority for the period 1994-1999

If the requisite number of States sign the Agreement a/ by the end of:	Resource requirements for:	Estimated resources (United States dollars)		
		Secretariat	Conference servicing	Total resources
1994	1995	1 589 700 b/	1 619 800 c/	439 800
1995	1996	4 024 200 d/	1 775 800	5 800 000
1996	1997	4 225 400	1 864 600	6 090 000 e/
1997	1998	4 436 700	1 957 800	6 394 500 e/
1998	1999	4 658 500	2 055 700	6 714 200 e/

a/ Draft Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982.

b/ To be offset by savings of $1,149,900 under section 7 of the programme budget for 1994-1995 resulting from the closing down of the Law of the Sea office in Kingston.

c/ To be absorbed under section 25 of the programme budget for 1994-1995 (see A/C.5/48/80, para. 51).

d/ This amount assumes a staffing level as set out in A/C.5/48/80, annex, table 1.

e/ Assumes the same level of real resources as for 1996 and allows for 5.0 per cent annual inflation.

6. As can be derived from the table, the maximum amount that might be paid by the United Nations until the end of 1999, assuming that the Agreement does not enter into force until 16 November 1998, would be $25,438,500. If it is assumed that the Agreement will enter into force earlier than that date, the amount charged to the United Nations would be correspondingly less.

7. The Advisory Committee recommends to the Fifth Committee that it inform the General Assembly that should it adopt the draft resolution contained in document A/48/950, including operative paragraph 8 thereof, an appropriation of $1,589,700 would be required under section 32 of the programme budget for the biennium 1994-1995, to be offset by a reduction of $1,149,900 under section 7. The net additional appropriation of $439,800 will be subject to the provisions for the use and operation of the contingency fund.

8. Such estimates of the amounts to be paid by the United Nations in respect of future years as may actually be required will be considered by the General Assembly on the basis of a further report by the Secretary-General; at that time, the Advisory Committee will also make recommendations on the procedure to be followed in implementing section 1, paragraph 14, of the annex to the Agreement, including the application of procedures for the use and operation of the contingency fund.